

# The impact of the internal audit function to improve the financial performance of commercial banks in Jordan

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## Abstract

This study aims to identify the impact of the internal audit function to improve the financial performance of the Jordanian commercial banks, has been the identification of four fields of design, a quality audit and management of the internal audit department, evaluate and develop their own internal audit risk management, has been the questionnaire distributed to internal auditors working in the internal Audit Department in the Jordanian commercial banks, have been distributed and recovery (65) questionnaire was analyzed by statistical packages spss program, the study found that the Jordanian banks interested in the quality of internal audit and management of the internal audit activities and assess the risks of the internal audit process and that there is the effect of the function internal Audit to improve financial performance.

## Introduction

The interest in the process of internal audit in the modern era the best option for companies, professional organizations concerned with the development of the audit profession, whether the internal audit profession, or external, and given what was produced by the financial abuses taking place in some companies, such as Enron in the United States, it has been shown that the reasons for these financial abuses are weak internal control systems in many institutions, both commodity and service, which led to growing interest in internal audit and internal control systems, and their role in enhancing the financial performance of the companies and institutions and various organizations levels (Arena, et al, 2006: p 275 ). The researchers have found that the main reason for the weakness of the internal control systems is not enough to adopt these institutions to audit practices, and not giving importance as a gateway seeks to activate the regulatory regimes, and thus achieve high levels of performance.

Became interesting companies function of internal audit and clear through the establishment of internal audit departments, and named head of the internal control department, internal audit in many companies Jordanian contribution, as a result of the interest of companies function of internal audit, and forcing corporate governance law, the work supervisory companies better become, and fear of a repeat of the financial crisis, and the scandals of the manipulation of accounts and embezzlement, and the collapse of several international companies have been an example to the accounting work and oversight, may result in increased regulatory awareness of the organization through the activation of the role of the internal auditor in the control process to activate the performance of the company and private financial performance.

**Study the problem:** The problem of the study to answer the following questions:

The main question is: Is there a trace of the internal audit function to improve the financial performance of commercial banks operating in Jordan? The sub-questions emerge about the following?

1. Is there a trace of audit quality control for internal audit to improve the financial performance of commercial banks operating in Jordan?
2. Is there an impact to manage audit activities of internal audit to improve the financial performance of commercial banks operating in Jordan?
3. Is there an impact assessment and the development of risk management internal audit to improve the financial performance of commercial banks operating in Jordan?

## Objectives of the study:

1. detect the level of practice and internal audit function in the commercial banks operating in Jordan.
2. to identify the level of improvement in the financial performance of commercial banks operating in Jordan.
3. determine the impact of the internal audit function (professional standards, and professional skills, and control of audit quality, and management audit activities, and evaluate and develop risk management, planning and implementation of the audit process, and communicate the results) to improve the financial performance of commercial banks operating in Jordan.

## Importance of the study

The study derived its importance from the Internal Audit; method in the control and optimization, thus achieving high performance levels of commercial banks operating in Jordan, as is the importance of what comes through:

1. attempt to explore the reality of the internal audit function to commercial banks operating in Jordan.
2. Determine the potential impact of the internal audit function to improve the financial performance of commercial banks operating in Jordan.

### Hypotheses:

HO1: There is no statistically significant effect of audit quality control for internal audit to improve the financial performance of commercial banks operating in Jordan at the level of significance (0.05).

HO2: There is no statistically significant impact to manage internal audit to improve the financial performance of commercial banks operating in Jordan at the level audit activities (0.05).

HO3: no statistically significant effect for the evaluation and development of internal audit to improve the financial performance of commercial banks operating in Jordan at the level of significance of risk management (0.05).

### The study sample

Depicts the figure (1) Study scheme portrayal, shows from which a group of constituents of the study variables, so that gives the initial concept for a set of correlations, and influence between the variables of the study, which will be in the amount, has developed a researcher planned the study, which appears in which the the following:

1. An independent variable "Independent Variable", which is the function of internal audit practices also have a significant role in improving the financial performance levels.
2. The presence of dependent variable "Dependent Variable", which is the financial performance, and is a critical variable; because the secret of survival of organizations, and excellence, associated financial status.

### Previous studies:

1. Study (Alkhasa 0.2013) entitled "The extent to which the internal audit function in the financial and administrative performance in local government bodies adjust to the Gaza Strip: An Empirical Study analytical." This study aimed to identify the extent of the contribution of the internal audit function in the financial and administrative performance in local government bodies adjust to the Gaza Strip, and to achieve the objectives of the study, the researcher used the interview method and questionnaire, which was distributed (50) questionnaire on all internal auditors working bodies of local government, were obtained on (40) questionnaire from questionnaires distributed, the study relied on descriptive analytical method to describe and analyze the variables of the study and testing of hypotheses. The results showed clearly the role of the internal audit function in the financial and administrative performance tuning, and that local authorities apply all the internal audit procedures to ensure the validity and accuracy of financial and administrative data, and the commitment of internal auditors internal audit standards, and the current study benefited from this study in the financial performance and the internal audit function, but this study differed from the current study, in terms of history
2. Study (Abdali, 2012), entitled "The impact of the application of corporate governance in the quality of internal audit in industrial companies listed in Alardnellorac financial market."

This study aimed to measure the impact of the application of the pillars of corporate governance in the quality of internal audit in industrial companies listed in Alardnellorac financial market. The study population consisted of all industrial companies listed in Alardnellorac financial market. As study sample consisted of (114) as finance director and heads of departments of accounting, internal audit and managers, and workers in the accounting and internal audit departments in these companies. The results showed the presence of statistically significant effect of the application of the pillars of corporate governance in the quality of internal audit to industrial companies listed in Alardnellorac financial market. Benefited researcher of this study was to identify the key internal audit concepts, and the importance Tahty the internal audit function, but this study differed from the current study, in terms of measuring the dimensions of the internal audit function.

3. Study (slaves, 2012), entitled "The role of the internal audit function in the environmental performance of industrial Jordanian companies to assess."

This study aimed to identify the role of the internal audit function in the environmental performance of industrial companies Jordanian evaluation. To achieve the objective of the study was to develop a questionnaire was distributed to a sample of 60 employees, has been recovered a total of 49 questionnaires were valid for the analysis process. Results of the study showed that the Jordanian industrial companies based internal audit their environmental performance is average, which is reflected on its overall performance with the presence of some of the difficulties in the performance of the environmental audit process due to the lack of qualifications of internal auditors to assess. The researcher has benefited from this study to identify the contents of the internal audit function, but this study differed from the current study, in terms of dimensions measuring the internal audit function

4. Study (Jerboa, 2005) entitled "areas of the contribution of the internal audit function in the financial and administrative performance tuning at the Islamic University in Gaza to Palestine."

This study aimed to identify areas of the contribution of the internal audit function in the financial performance tuning, and management at the Islamic University in Gaza. To achieve the objectives of the study were three questionnaires were distributed to the financial management personnel and internal auditors university design.

Results of the study showed that the areas in which contributes to the internal auditor are: to identify the university needs of financial services, and administrative and advisory related to the field of control, as well as contribute to the detection of the strengths and weaknesses of the work required, and completed, revealing deviations, disability and deficiencies in internal control systems at the university also plays an important role in the two phases of research, diagnosis, and consideration of alternatives, and to contribute to solving problems, and the analysis and design of systems and procedures. The researcher has benefited from this study to identify the theoretical and practical foundations of financial performance and measured, in addition to the contribution of the financial statement audit in the control of the financial performance, but the difference between the current study and this study was to measure the role of the internal audit function.

### Study Approach

This study is based on descriptive analytical method, based on the nature of the study, and information to be obtained from the views of the personnel listed in the Jordanian capital market commercial banks, especially the internal auditors, and through the questions that the current study seeks to answer them, it has been the use of descriptive analytical method the aim of the data collection, analysis, and testing of hypotheses, since this approach fits studies that adopt entrance cognitive phenomenon in which fleshed study investigated the problem, then analyzed, and interpreted.

### Sources of data collection

To achieve the objectives of the study researcher resorted to the use of two main sources to gather information, namely:

Secondary Sources: The secondary data sources, books, Arab and foreign and references relevant, and periodicals, articles, reports, and research and previous studies on the subject of study, research and reading on various Internet sites, since the goal of the researcher to resort to secondary sources in the study.

Primary sources: to address the analytical aspects of the subject of the study was to resort to the primary data collected through the questionnaire as a tool head of the study, and the preparation of its clauses based on the theoretical framework of a relationship, and previous studies, and include a number of paragraphs reflect the objectives of the study and questions, to answer them by the respondents, as been using Likert scale (Likert) quintet, so take every answer specific relative importance.

The researcher used in the study tool measure consisted of five grades (1-5) of the answers, according to a Likert scale Quintet (Likert Scale), which is composed of five degrees to determine the degree of approval of the study sample on each paragraph of the study tool, and convert categorical scale to the amount of data that can be measured statistically, was given the relative weights shown in table (2).

Table (2)

Degrees Likert scale Quintet (Likert Scale) used in the study tool

The degree of the scale	Strongly agree	agree	Neutral	Disagree	Strongly disagree
The degree of approval	5	4	3	2	1
The relative weight	%100-81	%80-61	%60-41	%40-21	%20-0

With regard to the limits adopted by this study was to determine the degree of importance of each paragraph of the study when commenting on the averages of the variables, the use of a statistical criterion is based on the division of circles calculations into three levels, namely, (high, medium, low) and based on the following equation:

Category = length (upper limit of the alternative - the minimum alternative) / number of levels

Category = length (5-1) / 3 = 4/3 = 1.33 and thus the levels as follows:

Low level of importance: from (1 less than 2.33).

The average level of importance: from (2.33- less than 3.66).

High level of importance: from (3.66- 5).

### Society and the study sample

The study population consisted of internal auditors working in the commercial banks in Jordan, of (13) bank, where he was regarded as the study population is a sample of the study, and the distribution of the questionnaire them by (5) questionnaires for each bank, and recovered all of them representing (100%) of number of distributed questionnaires to a sample of the study, and after sorting proved to be valid for analysis, and thus the number of questionnaires which was conducted by the analysis due to the conditions required to answer the questionnaire (65) questionnaire and by the response (100%) of the number of questionnaires that were distributed on the internal auditors working in banks Jordanian business.

### Special tool measurement tests

1. Virtual honesty (Face Validity): The aim of this honesty to ensure that the statements contained in the study tool that could lead to the collection of data accurately, and to achieve this has been the questionnaire on a number of professors Jordanian universities of specialists in the field of accounting, in order to identify the degree of clarity and phrases used in the study tool.

2. Believe content (Content Validity): Honesty is intended to express the extent of the paragraphs of each area of study for the area to which it belongs, has focused attention on making sure that every area of study accurately representative of a group of paragraphs that concern them, and measured sincerity resolution content by measuring the relationship between each paragraph, and the area to which they belong using the Pearson correlation coefficient Pearson Coefficient of Correlation)), has pointed out (Nunnally, 1978) that the paragraphs which increases the association (30%), and was statistically significant at the level of  $(0.05 \geq \alpha)$  longer acceptable to measure the area to which they belong, and shows that all the paragraphs of the resolution were statistically significant.

### Cronbach Alpha test:

Intended steadily tool access to the same data when re-study using the same study tool for individuals themselves under similar one conditions (Sekaran, 2003), was used internal consistency measure alpha Cronbach (Cronbach Alpha) answers the study sample were obtained to determine the reliability a study tool, and is statistically acceptable value for this measure (60%) or more, and table (3) shows that.

Table (3)

Internal consistency coefficient Cronbach's alpha for fields of study and the tool as a whole

Field title	Questions number	Reliability coefficient (Internal consistency)
audit Quality control	5	0.78
Application management of internal audit activities	5	0.819
Evaluate and development risk management for internal audit.	5	0.822
Improve financial performance in commercial banks operating in Jordan.	5	0.81
Total	20	<b>0.812</b>

The table shows (3) alpha Cronbach results for each area of study, and review of the alpha Cronbach calculated values, he found it was high, as was the lowest in the assessment and development of internal audit risk management, where he was (0.697), while the total of the instrument as a whole (0.812), all Cronbach's alpha values calculated for the areas of study is appropriate for the purposes of this study, which indicates a high stability of the questionnaire.

### Normal distribution of the test data

Was performed Kolmejevov -samarnov test (Kolmejevov test - Smirnov (1-Sample KS)) to see if the data follow a normal distribution or not, a necessary test to test hypotheses case, because most of parametric tests require that the normal distribution of data, and are shown in Table No. (4) test results.

Table (4)

Normal distribution test (1-Sample Kolmogorov- Smirnov)

Field title	Questions number	Z value	Level of significance
audit Quality control	5	0.963	0.311
Application management of internal audit activities	5	0.653	0.788
Evaluate and development risk management for internal audit.	5	1.187	0.119
Improve financial performance in commercial banks operating in Jordan.	5	0.537	0.936
Total	<b>20</b>	<b>0.533</b>	<b>0.938</b>

Evidenced by the results of the analysis set forth in Table (4) that the level of significance value greater than the significance level  $(0.05 \geq \alpha)$  for all fields of study, and this indicates that the data follow a normal distribution.

Analyze and discuss the results of the study and test hypotheses

The results of the descriptive analysis of the variables of the study:

#### 1. internal audit quality control

Table shows (5) averages and standard deviations of the variable own internal audit in commercial banks from the standpoint of internal auditors working in the commercial banks operating in Jordan arranged audit quality control in descending order according to their importance, according to the average calculation.

Notes from the table that the study sample of internal auditors trends of high importance all direction paragraphs own internal audit audit quality control, and ranged from (3.98 - 4.38), and a review of the order of paragraphs, it is clear that paragraph (1) have had the most important and which states that "working internal audit to monitor the performance of the internal auditor's management in order to ensure compliance with internal auditing standards" and a mean total (4.38), it is located within a high degree of importance, and a standard deviation (0.81), and this shows that the follow-up management of the performance of the internal auditors makes it work internal Auditor more accurate, and this serves the operational performance of the company.

No	Paragraph	Mean	S. D	Sig. Degree
1-	Internal audit to monitor the performance of the internal auditor's management is working to ensure compliance with internal audit standards.	4.38	0.81	HIGH
2-	Internal audit process be within the organization and planned stages accurately reveal the extent of compliance of internal audit procedures.	4.34	0.87	HIGH
3-	The Bank operates on the composition of the audit committee is made up of a group of members, at least one of them has a science and an in-depth knowledge of the affairs of internal audit.	4.32	0.79	HIGH
4-	Results of the internal audit to assess the work of the subject by third parties on a regular basis.	4.06	1.06	HIGH
5-	The Internal Auditor will report to management on the extent of the application of accounting principles and international.	4.02	1.08	HIGH
	<b>TOTAL</b>	<b>4.18</b>	<b>0.62</b>	<b>HIGH</b>

Overall, the results indicate the presence of a high level of application of variable own internal audit audit quality control, reaching application degree (4.18), and this indicates that operating in Alardenbmttlebatt audit quality own internal audit control banks commitment to operate the internal audit to monitor the performance of management internal Auditor within the organization and planned stages, and the formation of an audit committee made up of a group of members, and this may affect the improvement of the financial performance of banks, as the researcher believes that the departments of companies interested in the quality of the internal audit function, because it is the first line of defense against fraud, manipulation, and waste in resources, and the standard deviation was low (0.62), and this refers to the convergence of views, and the lack of a large dispersion in the answers to internal auditors working in the internal audit departments of banks in the sample study on the variables of the study.

#### 2-management own internal audit audit activities:

Table shows (6) averages and standard deviations for variable management application for audit activities of internal audit in commercial banks from the standpoint of internal auditors working in the commercial banks operating in Jordan, arranged in descending order of importance, according to the average calculation.

A review of the order of paragraphs, it is clear that paragraph (1) have had the most important, and which states, "The Internal Audit Department developed the organizational structure of the department, and to determine the quality and number of its members, and the Job Description for the different levels of jobs" and a mean total (4.34), it is located within high degree of importance, and a standard deviation (0.82), and perhaps this shows that the creation of an appropriate structure to the nature of the company's business, and bring the right person in this place may give smooth better to work more with the procedures and duties and implementation, as paragraph got No. (5), which states "internal Audit Department is working to identify the prior audit plans, are monitored implemented as planned," the second most important, and that a mean total (4.28), it is located within a high degree of importance, and a standard deviation (0.86), and this shows the importance of job planning and oversight of the Department of internal Audit, and that these functions are placed to facilitate the work of the company, and to ensure its success.



Table (6)  
Trends study sample about managing own internal audit activities

No	Paragraph	Mean	S. D	Sig. Degree
1-	The Internal Audit Department developed the organizational structure of the department and determine the quality and number of its members, and job descriptions for the various levels of functionality.	4.34	0.82	HIGH
2-	Internal Audit Department is working to identify the prior audit plans, are monitored implemented as planned.	4.28	0.86	HIGH
3-	Internal Audit Department is working to provide auditing reports to senior management within the internal audit standards.	4.22	0.82	HIGH
4-	The independent internal audit department for audited activities.	4.10	0.81	HIGH
5-	Officer or Director of Internal Audit Department has the power to communicate freely with all departments and sections of the bank and the members of the Board of Directors to activate the powers of internal audit.	4.00	0.86	HIGH
	<b>TOTAL</b>	<b>4.11</b>	<b>0.53</b>	HIGH

Overall, the results indicate the presence of a high level of application-level management for internal audit in the operating banks in Jordan audit activities, reaching application degree (4.11), and this indicates that the banks commitment to the organizational structure of the department and determine the quality and the number of its members, and to identify audit plans pre-implementation is monitored as planned, according to the regulations and instructions, as you can see the researcher that there are banks commitment to internal auditing standards by raising the results of the audit reports to senior management, and has units audit independence and freedom, full, and the standard deviation was low (0.53) , and this refers to the convergence of views, and the lack of a large dispersion in the answers to internal auditors working in internal audit departments in the study sample banks around the variables of the study.

3- assess and develop their own internal audit risk management:

The table shows the number (7) averages and standard deviations of the variable to assess and develop their own internal audit risk management in commercial banks from the standpoint of internal auditors working in the rank of commercial banks operating in Jordan in descending order according to their importance, according to the average calculation.

Notes from the table that the study sample of IIA members trends of high importance all the direction of the paragraphs of justice, and ranged from (3.98) and (4.24), and a review of the order of paragraphs turns out that paragraph (1) have had the most important, and which states that "Audit Department is working internal to assess and develop specific programs to avoid working in the bank's risk, and reduced to a minimum, in order to preserve the bank's property ", and a mean total (4.24), it is located within the class of high importance, and a standard deviation (0.74), and this shows the need to work on reduction of the internal audit risk and expected size, which may be the result of poor planning and assessment process, and the degree of importance itself came paragraph (5), which states, "internal Audit Department is working to ensure that the Bank has established criteria and standards sufficient to determine whether the objectives have been achieved "a mean total (4.24), it is located within the high degree of importance, and a standard deviation (0.94), and this shows that the internal audit departments operate according to clear and specific assessment criteria established by the Bank of feeling reassured that what you are doing stems from the independence grounds, and integrity in accordance with the objectives set, and the nature of the work of this profession.

Table (7)

Trends study sample on the assessment and development of internal audit risk management.

No	Paragraph	Mean	S. D	Sig. Degree
1-	Work of internal audit to assess and develop specific programs to avoid the risk of working in a bank, and reduced to a minimum management, in order to preserve the bank's property.	4.24	0.74	HIGH
2-	Internal Audit Department is working to ensure that the Bank has established criteria and standards sufficient to determine whether the objectives have been achieved.	4.24	0.94	HIGH
3-	The Internal Audit Department using a sudden knock on the inventory records, and match them with assets periodically.	4.16	0.77	HIGH
4-	Internal Audit Department is working to ensure the effectiveness of the methods used to invest the assets of the Bank and protection of embezzlement.	4.04	0.86	HIGH
5-	Internal Audit Department is working to develop an effective planning process for the audit program in consultation with the audit committees include the discovery of audit risk and ways to avoid them.	3.98	0.89	HIGH
	<b>TOTAL</b>	<b>4.13</b>	<b>0.57</b>	<b>HIGH</b>

Overall, the results shown in Table No. (7) to the presence of a high level of application of variable evaluation, and development of risk management internal audit in Jordanian banks, reaching application degree (4.13), and this indicates that banks abide by the requirements to assess and develop management own internal audit risk affects the performance of employees, as the researcher believes that the study sample to high conviction of the need to evaluate and develop internal audit risk management; because the risk may be acceptable, such as those that occur naturally, and the risk of deliberate and intentional, they are the most dangerous on the management objectives, and must avoided, and that the standard deviation was low (0.57), and this refers to the convergence of views, and the lack of a large dispersion in the answers to internal auditors working in the internal audit departments of banks in the sample study on the variables of the study.

#### 4- Improved financial performance in the Jordanian commercial banks

The table shows the number (8) averages and standard deviations of the variable to improve the financial performance from the standpoint of internal auditors working in the commercial banks operating in Jordan, arranged in descending order of importance, according to the average calculation.

The results shown in Table No. (15) that the study sample of auditors bankers members trends of high importance the direction of all the paragraphs to improve financial performance, and ranged from (3.92 - 4.34), and a review of the order of paragraphs, it is clear that paragraph (1) had a the greatest importance, and which provides for "enhanced financial performance through Jordanian banks commitment instructions body Jordanian capital markets" and a mean (4.34), it is located within a high degree of importance, and a standard deviation (0.77), that there is a high conviction in a sample study of the importance of, and the role of process ensure compliance with the body Jordanian capital markets to improve financial performance, and analytical procedures for assessing the performance of the company, and the possibility of upgrading in the future, and to assist in planning, take the financial and operating decisions, continuing to these decisions and follow-up, and measuring results and compare them with what is planned to determine the strengths and weaknesses.

Table (8)  
Trends sample study on improving the financial performance of individuals

No	Paragraph	Mean	S. D	Sig. Degree
1-	Enhanced financial performance through Jordanian banks commitment instructions body Jordanian capital markets.	4.34	0.77	HIGH
2-	Bank gives an important role for the management of internal audit in the activation of the accounting system and financial control, in order to improve the level of financial performance.	4.28	0.78	HIGH
3-	A periodic review of the financial performance of banks through the preparation and audit the interim financial statements in banks.	4.20	0.70	HIGH
4-	Some of the important financial indicators, which helps in the discovery of weaknesses in the financial and operating performance of the bank and work to avoid them control.	4.18	0.72	HIGH
5-	The Career Level efficient in the bank so that it could achieve the Bank's objectives, financial and operational policies.	4.16	0.82	HIGH
	<b>TOTAL</b>	<b>4.14</b>	<b>0.46</b>	<b>HIGH</b>

The overall results indicate a high level to improve the financial performance of banks in Jordan, where he reached the arithmetic average of the direction of the study sample answers on improving financial performance in Jordanian banks variable (4.14).

#### Test hypotheses

The researcher used a number of inferential statistical methods to analyze the results, and test hypotheses based on the study, and the following tables show the results that have been reached in test hypotheses.

To test the hypotheses were used simple linear regression method (Simple Regression), and then calculates the values of (T), which measures the possibility of the existence of the effect of each independent variable alone on the dependent variable, and provides decision rule for the test to reject the hypothesis nihilism ( $H_0$ ) and accept the alternative hypothesis ( $H_a$ ) if The values of (T) is greater than the calculated value of tabular, when abstract level (Sig) (5%), and the level of confidence (95%). As has been the multi-selection coefficient ( ) Coefficient Of Multiple Determination, which represents the contrast ratio of the variable in the study, which can be explained by the independent variables, and measures the strength of the relationship in the regression model (Malhotra, 2003).

#### Test the main hypothesis:

To test this hypothesis, it has been the use of multiple linear regression analysis (Multiple Regression), to determine the effect of the internal audit function to improve the financial performance from the standpoint of internal auditors working in the commercial banks in Jordan, as shown in Table 9.

Table (9)

The results of multiple regression analysis (Multiple Regression) to the effect of the internal audit function to improve the financial performance practices.

Independent variables	The level of significance	$R^2$ ( )	F Pcalculated	F by tables	Statistical decision
The internal audit function practices	0.002	0.401	4.022	2.25	Reject the null hypothesis

It is clear from the above table that the value of (F) calculated was (4.022) (while worth Indexed (2.25), and comparing the values that have been reached in the test this hypothesis show that the calculated value is greater than the tabular value, so it is rejected null hypothesis , and the acceptance of the hypothesis alternative, which states that "no effect statistically significant for the internal audit function to improve the financial performance of commercial banks operating in Jordan." This is confirmed by the significant level of significance (Sig) of \$ (0.002), which is less than the significance level (5%), as results indicate that the variation in the functions of internal audit practices explain what percentage of (.401) of the variance in improving the financial performance of commercial banks operating in Jordan, reflecting the rising strength of the relationship, and the degree of interpretation of variable internal audit functions for variable improve financial performance practices, and that there are (0.599) almost from the changes that occur in improving the financial performance resulting from other non-specific variables, and this shows the importance of the functions of internal audit practices.



### Results and recommendations:

Based on the results of the study, the researcher several conclusions, the most important concludes the following:

1. that there is a high degree of implementation of the internal audit function in the Jordanian commercial banks quality and this underlines the importance for the bank and its reflection on improving the financial performance of the Jordanian commercial banks.
2. If there is a high degree of application for the post of managing own internal audit activities.
3. The study of the risks of operational processes is crucial in Jordanian banks, and this would reduce the size of the risk, and the losses that the bank may lose it if they carried out the accurate analysis of the risks of the banking business.
4. develop the internal audit function in priorities to improve financial performance, and improve financial performance needs to control actions sound, a sound institutional control within the banks.
5. The expected banks that are committed to the application of the internal audit function efficiently, and effectively impact, is a successful activation of its financial performance, and in particular the work of banks and much depends on the current account, for something that makes checking them is a chore and whatever.

### Recommendations

Depending on the data analysis, and hypothesis testing and the results that have been reached, the researcher recommends the following:

1. Increase the attention of senior management auditors to develop skills through engaging them in workshops, and seminars, to help develop their skills, and look at what's new in the profession of internal auditing, so that it is able to identify, monitor and measure risk management.
2. that the commercial banks operating in Jordan to develop the internal audit function in order to maintain the level of effective influence in improving financial performance.
3. Work on the internal memoranda describing the internal control procedures that were in place during the year, and try to keep the application level, which has been planned.

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